

RECEIVED

IN THE CIRCUIT COURT FOR
COVINGTON COUNTY, ALABAMA

APR - 3 2006

CLERK
U.S. DISTRICT COURT
MIDDLE DIST. OF ALA.

DAVID PAHER and
PHILENA PAHER

Plaintiffs,

v.

UICI;
MEGA LIFE & HEALTH INSURANCE
COMPANY;
NATIONAL ASSOCIATION FOR THE
SELF EMPLOYED;
STEPHANIE TRANCHINA;
and FICTITIOUS DEFENDANTS
“A,” “B,” and “C,” whether singular or
plural, are those other persons,
corporations, firms, or other entities
whose wrongful conduct caused or
contributed to the cause of the injuries
and damage to the plaintiff, all of
whose true and correct names are
unknown to the at this time,
but which will be substituted by
amendment when ascertained,

Defendants.

CIVIL ACTION NO.: 2006-29

2:06cv297-DRB

NOTICE OF FILING OF NOTICE OF REMOVAL

Defendant The MEGA Life and Health Insurance Company (“MEGA”) hereby gives notice that on March 31, 2006, a Notice of Removal of this action was filed in the United States District Court for the Middle District of Alabama. A true and correct copy of the Notice of Removal is attached hereto.

EXHIBIT

4



HENRY A. CALLAWAY, III (CALLH4748)
E. LUCKETT ROBINSON, II (ROBIE6110)
RODNEY R. CATE (CATER8568)
Hand Arendall, L.L.C.
Post Office Box 123
Mobile, AL 36601
Telephone: (251) 432-5511
Facsimile: (251) 694-6375

Attorneys for Defendant The MEGA Life and
Health Insurance Company

CERTIFICATE OF SERVICE

I hereby certify that I have on this day, March 31, 2006, served a copy of the foregoing pleading on all counsel of record by placing a copy of same in the United States Mail, properly addressed and first class postage prepaid, as follows:

Thomas O. Sinclair
CAMPBELL, WALLER & POER, LLC
2100-A SouthBridge Parkway, Suite 450
Birmingham, Alabama 35209
Phone: (205) 803-0051
Fax: (205) 803-0053

Allen G. Woodard
WOODARD, PATEL & SLEDGE
1213 East Three Notch Street
Andalusia, Alabama 36420
Phone: (334) 222-9115
Fax: (334) 222-9448

James W. Lampkin II
Pamela A. Moore
ALFORD, CLAUSEN, & McDONALD, LLC
One St. Louis Centre, Suite 5000
Mobile, Alabama 36602
Phone: (251) 432-1600
Fax: (251) 432-1700



CV 2006 000029.00

AVSO351

JUDGE: CHARLES A. SHORT

ALABAMA JUDICIAL DATA CENTER
CASE ACTION SUMMARY
CIRCUIT CIVIL

IN THE CIRCUIT COURT OF COVINGTON COUNTY

DAVID AND PHILENA PAHER VS MEGA LIFE & HEALTH INS CO ET ALS
FILED: 03/02/2006 TYPE: BAD FAITH/FRAUD/MISR TYPE TRIAL: JURY TRACK:

DATE1: CA: CA DATE:
DATE2: AMT: \$.00 PAYMENT:
DATE3: *****

PLAINTIFF 001: PAHER DAVID

ATTORNEY: SINCLAIR THOMAS O'NEAL
SIN018 SUITE 450
2100-A SOUTHBRIDGE PKY
BIRMINGHAM, AL 35209
(205) 803-0051

, AL 00000-0000
PHONE: (334) 000-0000
ENTERED: 03/02/2006 ISSUED:
SERVED: ANSWERED:

TYPE:
JUDGEMENT:

WOODARD ALLEN GERALD
1213 E THREE NOTCH ST.

ANDALUSIA, AL 36420
(334) 222-9115

PLAINTIFF 002: PAHER PHILENA

ATTORNEY: SINCLAIR THOMAS O'NEAL
SIN018 SUITE 450
2100-A SOUTHBRIDGE PKY
BIRMINGHAM, AL 35209
(205) 803-0051

, AL 00000-0000
PHONE: (334) 000-0000
ENTERED: 03/02/2006 ISSUED:
SERVED: ANSWERED:

TYPE:
JUDGEMENT:

WOODARD ALLEN GERALD
1213 E THREE NOTCH ST.

ANDALUSIA, AL 36420
(334) 222-9115

DEFENDANT 001: MEGA LIFE & HEALTH INS CO
CT CORP CO SUITE 204
2000 INTERSTATE PK DRIVE
MONTGOMERY, AL 36104-0000
PHONE: (334) 000-0000

ATTORNEY:

ENTERED: 03/02/2006 ISSUED: 03/02/2006 TYPE: CERTIFIED
SERVED: 03-03-06 ANSWERED: JUDGEMENT:

DEFENDANT 002: NATIONAL ASSOC OF SELF EMPLOYED (NASE)
CT CORP CO SUITE 204
2000 INTERSTATE PK DRIVE
MONTGOMERY, AL 36104-0000
PHONE: (334) 000-0000

ATTORNEY:

ENTERED: 03/02/2006 ISSUED: 03/02/2006 TYPE: CERTIFIED
SERVED: 03-03-06 ANSWERED: JUDGEMENT:

DEFENDANT 003: UICI
CT CORP CO SUITE 204
2000 INTERSTATE PK DRIVE
MONTGOMERY, AL 36104-0000
PHONE: (334) 000-0000

ATTORNEY:

ENTERED: 03/02/2006 ISSUED: 03/02/2006 TYPE: CERTIFIED
SERVED: 03-03-06 ANSWERED: JUDGEMENT:

CV 2006 000029.00

DES 03/02/2006

AVSO351

CV 2006 000029.00

JUDGE: CHARLES A. SHORT

ALABAMA JUDICIAL DATA CENTER
CASE ACTION SUMMARY
CIRCUIT CIVIL

IN THE CIRCUIT COURT OF COVINGTON COUNTY

DAVID AND PHILENA PAHER VS MEGA LIFE & HEALTH INS CO ET ALS
FILED: 03/02/2006 TYPE: BAD FAITH/FRAUD/MISR TYPE TRIAL: JURY

TRACK:

DATE1: CA: CA DATE:
DATE2: AMT: \$.00 PAYMENT:
DATE3: *****DEFENDANT 004: TRANCHINA STEPHANIE ANN
ADDRESS UNKNOWN

ATTORNEY:

, AL 00000-0000
PHONE: (334)000-0000

ENTERED: 03/02/2006 ISSUED:

TYPE:

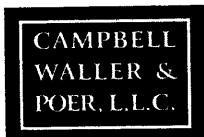
SERVED: ANSWERED:

JUDGEMENT:

03/02/2006	CERTIFIED MAI ISSUED: 03/02/2006 TO D001	(AV02)
03/02/2006	CERTIFIED MAI ISSUED: 03/02/2006 TO D002	(AV02)
03/02/2006	CERTIFIED MAI ISSUED: 03/02/2006 TO D003	(AV02)
03/02/2006	SUMMONS AND COMPLAINT	

DES 03/02/2006

CV 2006 000029.00



2100-A Southbridge Parkway • Suite 450
Birmingham • Alabama 35209
205 803-0051 • FX 205 803-0053

Sherri Y. Cook
sherric@cwplaw.com

February 28, 2006

VIA OVERNIGHT MAIL

Roger A. Powell
Covington County Circuit Court Clerk
Courthouse, Court Square
Andalusia, AL 36420


**RE: Rev. David Paher v. Mega Life & Health Insurance Company
Circuit Court Covington County, Alabama
Civil Action No.:**

Dear Mr. Powell:

Enclosed for filing please find an original complaint, as well as check #10112 in the amount of \$476.00 to cover the filing costs in this matter. I have included a copy of this complaint to be file stamped and returned in the postage-prepaid envelope within.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

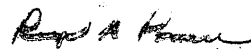

Sherri Y. Cook
Paralegal

/syc

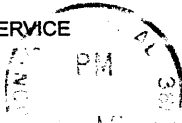
Enclosures: as stated within

FILED IN OFFICE

MAR 02 2006


CLERK

UNITED STATES POSTAL SERVICE

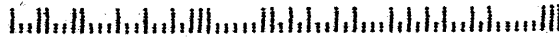

 First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

 Roger A. Powell
 Covington County Circuit Court Clerk
 Courthouse, Court Square
 Andalusia, AL 36420

CV-06-29

36420/3535



7004 2890 0002 8292 0830

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com**OFFICIAL USE**

Postage	\$ 87
Certified Fee	240
Return Receipt Fee (Endorsement Required)	185
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 512

Postmark
Here
 Sent
 Street
 or PO
 City,
 PS Fd

 Mega Life & Health Insurance
 Company
 CT Corporation Company
 2000 Interstate Park Drive, Suite 204
 Montgomery, AL 36104

Instructions

<p>SENDER: COMPLETE THIS SECTION</p> <ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse, so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <p style="margin-left: 40px;">Mega Life & Health Insurance Company CT Corporation Company 2000 Interstate Park Drive, Suite 204 Montgomery, AL 36104</p>	<p>COMPLETE THIS SECTION ON DELIVERY</p> <p>A. Signature <input checked="" type="checkbox"/> Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery 3-3-06</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service label)</p>	<p>3. Service Type</p> <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail </div> <div> <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D. </div> </div> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- **Important Reminders:**
- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to APOs and FPOs.

AVSO350

ALABAMA JUDICIAL DATA CENTER
COVINGTON COUNTY

SUMMONS

CV 2006 000029.00
CHARLES A. SHORT

IN THE CIRCUIT COURT OF COVINGTON COUNTY

DAVID AND PHILENA PAHER VS MEGA LIFE & HEALTH INS CO ET ALS

SERVE ON: (D001)

SSN: 000-00-0000

PLAINTIFF'S ATTORNEY

MEGA LIFE & HEALTH INS CO
CT CORP CO SUITE 204
2000 INTERSTATE PK DRIVE
MONTGOMERY ,AL 36104-0000SINCLAIR THOMAS O'NEAL
SUITE 450
2100-A SOUTHBRIDGE PKY
BIRMINGHAM ,AL 35209-0000

TO THE ABOVE NAMED DEFENDANT:

THE COMPLAINT WHICH IS ATTACHED TO THIS SUMMONS IS IMPORTANT AND YOU MUST TAKE IMMEDIATE ACTION TO PROTECT YOUR RIGHTS, YOU OR YOUR ATTORNEY ARE REQUIRED TO MAIL OR HAND DELIVER A COPY OF A WRITTEN ANSWER, EITHER ADMITTING OR DENYING EACH ALLEGATION IN THE COMPLAINT TO THE PLAINTIFFS ATTORNEY(S) SHOWN ABOVE OR ATTACHED:

THIS ANSWER MUST BE MAILED OR DELIVERED WITHIN 30 DAYS AFTER THIS SUMMONS AND COMPLAINT WERE DELIVERED TO YOU OR A JUDGEMENT BY DEFAULT MAY BE ENTERED AGAINST YOU FOR THE MONEY OR OTHER THINGS DEMANDED IN THE COMPLAINT. YOU MUST ALSO FILE THE ORIGINAL OF YOUR ANSWER WITH THE CLERK OF THIS COURT.

() TO ANY SHERIFF OR ANY PERSON AUTHORIZED BY EITHER RULES 4.1(B)(2) OR 4.2(B)(2) OR 4.4(B)(2) OF THE ALABAMA RULES OF CIVIL PROCEDURE: YOU ARE HEREBY COMMANDED TO SERVE THIS SUMMONS AND A COPY OF THE COMPLAINT IN THIS ACTION UPON DEFENDANT.

(X) THIS SERVICE BY CERTIFIED MAIL OF THIS SUMMONS IS INITIATED UPON THE WRITTEN REQUEST OF _____ PURSUANT TO RULE 4.1(C) OF THE ALABAMA RULES OF CIVIL PROCEDURE.

DATE: 03/02/2006

CLERK: ROGER A POWELL
1K NORTH COURT SQUARE
ANDALUSIA AL 36420
(334) 428-2520

RETURN ON SERVICE:

() CERTIFIED MAIL RETURN RECEIPT IN THIS OFFICE ON (DATE) _____
(RETURN RECEIPT HERETO ATTACHED)

() I CERTIFY THAT I PERSONALLY DELIVERED A COPY OF THE SUMMONS AND COMPLAINT TO _____

IN _____ COUNTY, ALABAMA ON (DATE) _____

DATE

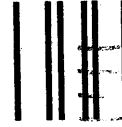
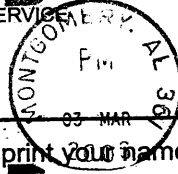
SERVER SIGNATURE

SERVER ADDRESS

TYPE OF PROCESS SERVER

OPERATOR: DES
PREPARED: 03/02/2006

UNITED STATES POSTAL SERVICE



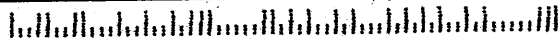
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Roger A. Powell
Covington County Circuit Court Clerk
Courthouse, Court Square
Andalusia, AL 36420

CV-06-29

36420/3935

U.S. Postal ServiceTMCERTIFIED MAILTM RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

OFFICIAL USE

Postage	\$ 87
Certified Fee	240
Return Receipt Fee (Endorsement Required)	185
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 512

Postmark
Here

National Association of Self Employed
(NASE)

CT Corporation Company
2000 Interstate Park Drive, Suite 204
Montgomery, AL 36104

Sent

Street

or P

City

PS F

Instructions

7004 2890 0002 8292 0847

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature <u>[Signature]</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>National Association of Self Employed (NASE) CT Corporation Company 2000 Interstate Park Drive, Suite 204 Montgomery, AL 36104</p>		<p>B. Received by (Printed Name) _____ C. Date of Delivery <u>3-3-06</u></p>	
<p>2. Article Number (Transfer from service label)</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____</p>	
<p>PS Form 3811, February 2004</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
<p>Domestic Return Receipt</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>7004 2890 0002 8292 0847</p>		<p>102595-02-M-1540</p>	

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.
Internet access to delivery information is not available on mail addressed to APOs and FPOs.

(Reverse) PS Form 3800, June 2002

AVSO350

ALABAMA JUDICIAL DATA CENTER
COVINGTON COUNTY

SUMMONS

CV 2006 000029.00
CHARLES A. SHORT

IN THE CIRCUIT COURT OF COVINGTON COUNTY

DAVID AND PHILENA PAHER VS MEGA LIFE & HEALTH INS CO ET ALS

SERVE ON: (D002)

SSN: 000-00-0000

NATIONAL ASSOC OF SELF EMPLOYE
CT CORP CO SUITE 204
2000 INTERSTATE PK DRIVE
MONTGOMERY ,AL 36104-0000

PLAINTIFF'S ATTORNEY

SINCLAIR THOMAS O'NEAL
SUITE 450
2100-A SOUTHBRIDGE PKY
BIRMINGHAM ,AL 35209-0000

TO THE ABOVE NAMED DEFENDANT:

THE COMPLAINT WHICH IS ATTACHED TO THIS SUMMONS IS IMPORTANT AND YOU MUST TAKE IMMEDIATE ACTION TO PROTECT YOUR RIGHTS, YOU OR YOUR ATTORNEY ARE REQUIRED TO MAIL OR HAND DELIVER A COPY OF A WRITTEN ANSWER, EITHER ADMITTING OR DENYING EACH ALLEGATION IN THE COMPLAINT TO THE PLAINTIFFS ATTORNEY(S) SHOWN ABOVE OR ATTACHED:

THIS ANSWER MUST BE MAILED OR DELIVERED WITHIN 30 DAYS AFTER THIS SUMMONS AND COMPLAINT WERE DELIVERED TO YOU OR A JUDGEMENT BY DEFAULT MAY BE ENTERED AGAINST YOU FOR THE MONEY OR OTHER THINGS DEMANDED IN THE COMPLAINT. YOU MUST ALSO FILE THE ORIGINAL OF YOUR ANSWER WITH THE CLERK OF THIS COURT.

() TO ANY SHERIFF OR ANY PERSON AUTHORIZED BY EITHER RULES 4.1(B)(2) OR 4.2(B)(2) OR 4.4(B)(2) OF THE ALABAMA RULES OF CIVIL PROCEDURE: YOU ARE HEREBY COMMANDED TO SERVE THIS SUMMONS AND A COPY OF THE COMPLAINT IN THIS ACTION UPON DEFENDANT.

(X) THIS SERVICE BY CERTIFIED MAIL OF THIS SUMMONS IS INITIATED UPON THE WRITTEN REQUEST OF _____ PURSUANT TO RULE 4.1(C) OF THE ALABAMA RULES OF CIVIL PROCEDURE.

DATE: 03/02/2006

CLERK: ROGER A POWELL
1K NORTH COURT SQUARE
ANDALUSIA AL 36420
(334)428-2520

RETURN ON SERVICE:

() CERTIFIED MAIL RETURN RECEIPT IN THIS OFFICE ON (DATE) _____
(RETURN RECEIPT HERETO ATTACHED)

() I CERTIFY THAT I PERSONALLY DELIVERED A COPY OF THE SUMMONS AND COMPLAINT TO _____

IN _____ COUNTY, ALABAMA ON (DATE) _____

DATE _____

SERVER SIGNATURE _____

SERVER ADDRESS _____

TYPE OF PROCESS SERVER _____

OPERATOR: DES
PREPARED: 03/02/2006



U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 87	Postmark Here
Certified Fee	240	
Return Receipt Fee (Endorsement Required)	185	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 512	

7004 2890 0002 8292 0854

Serial UICI

Street CT Corporation Company

City 2000 Interstate Park Drive, Suite 204

Montgomery, AL 36104

PS Form Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature <u>J. Dawson</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>3-3-06</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____</p>	
<p>1. Article Addressed to:</p> <p>UICI CT Corporation Company 2000 Interstate Park Drive, Suite 204 Montgomery, AL 36104</p>		<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number (Transfer from service label)</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
7004 2890 0002 8292 0854			

AVSO350

ALABAMA JUDICIAL DATA CENTER
COVINGTON COUNTY

SUMMONS

CV 2006 000029.00
CHARLES A. SHORT

IN THE CIRCUIT COURT OF COVINGTON COUNTY

DAVID AND PHILENA PAHER VS MEGA LIFE & HEALTH INS CO ET ALS

SERVE ON: (D003)

SSN: 000-00-0000

UICI
CT CORP CO SUITE 204
2000 INTERSTATE PK DRIVE
MONTGOMERY, AL 36104-0000

PLAINTIFF'S ATTORNEY

SINCLAIR THOMAS O'NEAL
SUITE 450
2100-A SOUTHBRIDGE PKY
BIRMINGHAM, AL 35209-0000

TO THE ABOVE NAMED DEFENDANT:

THE COMPLAINT WHICH IS ATTACHED TO THIS SUMMONS IS IMPORTANT AND YOU MUST TAKE IMMEDIATE ACTION TO PROTECT YOUR RIGHTS, YOU OR YOUR ATTORNEY ARE REQUIRED TO MAIL OR HAND DELIVER A COPY OF A WRITTEN ANSWER, EITHER ADMITTING OR DENYING EACH ALLEGATION IN THE COMPLAINT TO THE PLAINTIFFS ATTORNEY(S) SHOWN ABOVE OR ATTACHED:

THIS ANSWER MUST BE MAILED OR DELIVERED WITHIN 30 DAYS AFTER THIS SUMMONS AND COMPLAINT WERE DELIVERED TO YOU OR A JUDGEMENT BY DEFAULT MAY BE ENTERED AGAINST YOU FOR THE MONEY OR OTHER THINGS DEMANDED IN THE COMPLAINT. YOU MUST ALSO FILE THE ORIGINAL OF YOUR ANSWER WITH THE CLERK OF THIS COURT.

() TO ANY SHERIFF OR ANY PERSON AUTHORIZED BY EITHER RULES 4.1(B)(2) OR 4.2(B)(2) OR 4.4(B)(2) OF THE ALABAMA RULES OF CIVIL PROCEDURE: YOU ARE HEREBY COMMANDED TO SERVE THIS SUMMONS AND A COPY OF THE COMPLAINT IN THIS ACTION UPON DEFENDANT.

X THIS SERVICE BY CERTIFIED MAIL OF THIS SUMMONS IS INITIATED UPON THE WRITTEN REQUEST OF _____ PURSUANT TO RULE 4.1(C) OF THE ALABAMA RULES OF CIVIL PROCEDURE.

DATE: 03/02/2006

CLERK: ROGER A POWELL
1K NORTH COURT SQUARE
ANDALUSIA AL 36420
(334) 428-2520

RETURN ON SERVICE:

() CERTIFIED MAIL RETURN RECEIPT IN THIS OFFICE ON (DATE) _____
(RETURN RECEIPT HERETO ATTACHED)

() I CERTIFY THAT I PERSONALLY DELIVERED A COPY OF THE SUMMONS AND COMPLAINT TO _____
IN _____ COUNTY, ALABAMA ON (DATE) _____

DATE

SERVER SIGNATURE

SERVER ADDRESS

TYPE OF PROCESS SERVER

OPERATOR: DES
PREPARED: 03/02/2006

IN THE CIRCUIT COURT FOR
COVINGTON COUNTY, ALABAMA

DAVID PAHER and
PHILENA PAHER,

Plaintiffs,

v.

CIVIL ACTION NO.: 2006-29

UICI;
MEGA LIFE & HEALTH INSURANCE
COMPANY;
NATIONAL ASSOCIATION FOR THE
SELF EMPLOYED;
STEPHANIE TRANCHINA;
and FICTITIOUS DEFENDANTS
"A", "B", and "C", whether singular or
plural, are those other persons,
corporations, firms, or other entities
whose wrongful conduct caused or
contributed to the cause of the injuries
and damage to the plaintiff, all of
whose true and correct names are
unknown to the plaintiff at this time,
but which will be substituted by
amendment when ascertained,

Defendants.

COMPLAINT

COMES NOW the Plaintiffs, David and Philena Paher, by and through their undersigned counsel of record, and hereby brings the following Complaint against Defendants, stating as follows:

THE PARTIES

1. Plaintiffs David Paher and Philena Paher are, and at all times relevant to the matters alleged herein, have been, adult resident citizens of Covington County, Alabama.

2. Defendant UICI, upon information and belief, is a Delaware corporation with its principal place of business located at 9151 Grapevine Highway, North Richland Hills, Texas 76180, and domiciled in Oklahoma. Defendant UICI owns and controls its subsidiary, Mega Life & Health Insurance Company, through which it does business in Alabama and elsewhere and through which it offers policies of insurance.

3. Defendant Mega Life & Health Insurance Company ("Mega") is, upon information and belief, a wholly owned subsidiary of Defendant UICI, and further is a Delaware corporation, headquartered in Texas, and domiciled in Oklahoma.

4. Mega focuses primarily on small businesses and self-employed people, as well as schools. Mega is headquartered in Oklahoma, and licensed to do business in Alabama. Defendant's agent for service of process in Alabama is The Corporation Company, 2000 Interstate Park Drive, Suite 204, Montgomery, AL 36109.

5. The National Association of Self Employed (NASE) offers a group plan to members that is underwritten by Mega Life & Health Insurance Company. NASE is wholly owned, operated, and controlled by Mega. Defendant NASE's agent for service of process in Alabama is The Corporation Company, 2000 Interstate Park Drive, Suite 204, Montgomery, AL 36109.

6. Stephanie Tranchina ("Tranchina") came to the Paher's residence and made certain representations about the quality of the insurance and the services to be provided by the other defendants. At the time of the meeting with the Pahers, Tranchina's principal place of business and residence were in Baldwin County, Alabama.

7. Fictitious Defendants "A", "B", and "C", whether singular or plural, are those persons, corporations, firms, or other entities whose wrongful conduct caused or contributed to the cause of

FILED IN OFFICE

MAR 02 2006

Raymond A. Pomeroy
CLERK

the injuries and damage to the Plaintiffs. The true and correct names and addresses of these Fictitious Defendants are currently unknown to the Plaintiffs, but will be added by amendment when ascertained.

VENUE

8. Venue is proper in Covington County, Alabama, given that the Defendants conduct business by agent in Covington County including, but not limited to, the sale of the policy at issue herein to the Plaintiffs. The Plaintiffs are, and at all times relevant to this matter have been, residents of Covington County.

9. Furthermore, venue is appropriate in Covington County, Alabama, in that a substantial part of the events or omissions giving rise to the Plaintiff's claims occurred within Covington County, Alabama.

STATEMENT OF THE FACTS

10. At all times relevant hereto, Plaintiffs have resided in Andalusia in Covington County, Alabama, where Mr. Paher was employed as the pastor for the Cedar Grove Church of Christ.

11. The policy at issue (Certificate Number 09053629435) took effect beginning on March 5, 2003 on behalf of the named insured, David Paher, and his wife, Philena Paher, both of whom are covered under the policy.

12. In or about February of 2003 Tranchina came to the Plaintiff's residence and solicited the Plaintiffs to purchase the insurance policy referenced above. The Defendants represented to the Plaintiffs that the policy would provide coverage in the event of medical circumstances such as those

FILED IN OFFICE

MAR 02 2006

Raymond A. Brown
CLERK

described below. The Defendants further represented that any claims on the policy would be administered in such a manner as to provide the greatest possible coverage to the insureds.

13. In order to obtain said insurance, David Paher was informed by Tranchina that he had to pay an upfront fee and monthly fees in order to join NASE in order to get health insurance through Mega Life and Health. Subsequent to the effective date of the policy, Philena Paher suffered various physical injuries and/or conditions requiring her to seek medical treatment and care.

14. Such conditions and treatments include, but are not limited to, August 27, 2003 visits to Andalusia Hospital to seek treatment for severe pain Philena Paher was suffering. On the first such visit, she was diagnosed with a bladder infection. After the first visit to the ER on that date, she continued to suffer pain and returned to Andalusia Hospital, where she was then diagnosed as having kidney stones. Of the original Andalusia Hospital bill of over \$1,100, there is a NASE discount of \$195.79; however, the remainder of the bills were improperly declined as being pregnancy related.

15. After the second visit to Andalusia Hospital, Philena Paher was instructed to immediately seek treatment at Baptist East Hospital in Montgomery. When she reached Montgomery, she was admitted into the hospital. The resulting Baptist East bill for treatment in the amount of \$5,140.75 for kidney stones was also improperly declined as being pregnancy related.

16. There is no basis for Defendants' denial of coverage for medical care related to treatments for kidney stones and bladder infection, and this fact was known or, in the exercise of reasonable care, should have been known by the Defendants.

17. Defendant knew, or in the exercise of reasonable care should have known, that these treatments and the resulting medical bills were not pregnancy related and that they were covered under the Plaintiffs' insurance and, thus, due to be paid by the Defendants herein.

FILED IN OFFICE

MAR 02 2006

Roy A. Brown
CLERK

18. As a direct and proximate result of Defendants' ongoing refusal to pay benefits owed the Plaintiffs, the Plaintiffs were forced to pay premiums and lose the interest on said premiums; the Plaintiffs do not have the policies they contracted for with the Defendants; the Plaintiffs have sustained, and continue to sustain economic damage and loss, the plaintiffs have been forced to pay and/or become liable for payment of medical bills that were covered under the terms of Plaintiffs' insurance policy with the Defendants, but which were not paid by the Defendants; the Plaintiffs have been caused to suffer mental anguish, emotional distress, and personal hardships; and have been otherwise injured and damaged.

19. Following the Defendant's initial denial of the claims Plaintiff's pursuant to the administrative procedures within the policy submitted a formal appeal requesting reconsideration. The first appeal was filed in April 2005 subsequent appeals followed. The company refused to reverse its prior denial of benefits in August 2005 the company provided its final denial refusing to provide any documentation to support its denial of benefits.

20. As a result of the Defendant's denial the Plaintiffs were caused to suffer substantial financial hardship as a result of the mounting medical bills the Plaintiffs received as a result of the Defendant's denial of benefits. Plaintiffs were caused to suffer, and continue to suffer, substantial financial hardship as a result of the denial of benefits and further continue to suffer from the emotional distress and pain caused by the Defendant's denial of benefits.

JOINT AND SEVERAL LIABILITY

21. The named Defendants herein are jointly and severally liable on all counts.

22. Defendant Mega Life & Health Insurance Company ("Mega") is a wholly owned subsidiary of Defendant UICI. The National Association of Self Employed (NASE) offers a group

plan to members which is underwritten by Mega Life & Health Insurance Company. Further, the NASE offers group plans to its members which is underwritten by Mega.

23. Defendant UICI controls both subsidiaries to the degree that neither Mega nor NASE have any substantial separate existence of their own.

24. In filings with the security and exchange commission Defendant UICI represents in its filings that the assets of the Defendant's Mega and NASE are assets of the Defendant UICI.

25. In filings with the securities and exchange commission the Defendant UICI represents that the liabilities of the Defendants Mega and NASE are liabilities of the Defendant UICI.

26. Members of the board of directors of the Defendants NASE and Mega are in fact Defendant UICI employees.

27. The Defendants have no substantial separate existence of their own and, as such, should be held jointly and severally liable for any damages that may be awarded.

COUNT ONE
(Breach of Contract)

28. Plaintiffs repeat and re-allege each and every allegation in the preceding paragraphs as if fully set forth herein.

29. Philena Paher was covered under the policy and entitled to the benefits provided therein including, but not limited to, payment of claims covered under the policy.

30. The Plaintiffs performed all obligations required of them under the policy and contract, and no defenses exist to Defendants' failure and refusal to perform under the contract as required.

FILED IN OFFICE

MAR 02 2006

Roger A. Pomeroy
CLERK

31. Defendants have breached, and continue to breach, their contractual duties under the policies of insurance by failing and refusing to pay benefits owed the Plaintiffs.

32. As a direct and proximate result of Defendants' breaches, Plaintiffs have suffered and continue to suffer substantial damages as previously set forth above.

WHEREFORE, Premises Considered, Plaintiffs request that judgment be entered against the Defendants for compensatory and punitive damages in an amount to be determined by struck jury, plus interest, costs, attorney fees, and such other, further, and different relief as may be appropriate.

COUNT TWO
(Bad Faith)

33. Plaintiffs repeat and re-allege each and every allegation in the preceding paragraphs as if fully set forth herein.

34. Philena Paher was covered under the policy and entitled to the benefits provided therein including, but not limited to, payment of claims covered under the policy.

35. At all times relevant to the matters alleged herein, Defendants were under a duty to use good faith in the handling of Plaintiffs' claims.

36. However, Defendants failed and refused to act in good faith, but instead breached the contracts of insurance in bad faith, and in the absence of any legitimate or arguable reason not to perform as required, by intentionally, willfully, and deliberately refusing to pay benefits which the Defendants knew were owed the Plaintiff under the insurance plan under which the Plaintiffs were covered.

37. As the direct and proximate result of Defendants' willful, intentional, and deliberate bad faith conduct and refusal to pay benefits which Defendants knew were owed the Plaintiffs, Plaintiffs were injured and damaged as alleged above.

WHEREFORE, Premises Considered, Plaintiffs request that judgment be entered against the Defendants for compensatory and punitive damages in an amount to be determined by struck jury, plus interest, costs, attorney fees, and such other, further, and different relief as may be appropriate.

COUNT THREE
(Fraud)

38. Plaintiffs repeat and re-allege each and every allegation in the preceding paragraphs as if fully set forth herein.

39. Philena Paher was covered under the policy and entitled to the benefits provided therein including, but not limited to, payment of claims covered under the policy.

40. At all times relevant hereto, Defendants continuously represented to the Plaintiffs that Defendants would provide the Plaintiffs the insurance coverage they had paid and contracted for and would act in good faith and pay claims covered under the insurance provided.

41. However, after claims were properly submitted to Defendants for payment of medical bills incurred as a result of medical treatment and care covered under the policy issued by the Defendants, Defendants repeatedly refused to pay the claims, despite the fact that payment was required under the terms of the insurance coverage purchased by the Plaintiffs.

42. Plaintiffs' decision to maintain their policy with Defendants was based in reasonable reliance upon Defendants' representations regarding their commitment to honor the terms of the policies, to adjust claims in good faith, and to pay any benefits that might come to be due the Plaintiffs.

43. Without Plaintiffs' knowledge, Defendants entered into a pattern and practice of fraudulent conduct and conspired and cooperated with one another in committing the frauds practicing on the Plaintiff, and other insureds, by denying benefits that were due to be paid.

44. The representations made by Defendants to the Plaintiffs and other insureds in order to induce them into entering into, and then maintaining, policies of insurance were false, were known by the Defendants to be false at the time they were made, and were made with the intent to lead the Plaintiffs and others to rely on said misrepresentations and fraud to their detriment and to Defendants' benefit.

45. As a direct and proximate result of Defendants' wrongful acts and omissions and fraudulent conduct as previously alleged herein, Plaintiffs have suffered and continue to suffer substantial damages as alleged above.

WHEREFORE, Premises Considered, Plaintiffs request that judgment be entered against the Defendants for compensatory and punitive damages in an amount to be determined by struck jury, plus interest, costs, attorney fees, and such other, further, and different relief as may be appropriate.

COUNT FOUR
(Suppression)

46. Plaintiffs repeat and re-allege each and every allegation in the preceding paragraphs as if fully set forth herein.

47. Philena Paher was covered under the policy and entitled to the benefits provided therein including, but not limited to, payment of claims covered under the policy.

48. At all times relevant hereto, the Defendants did intentionally, deliberately, and maliciously fail to disclose to the Plaintiffs and similarly situated insureds that Defendants would not

honor the terms of Plaintiffs' policies of insurance, that the true facts would be disregarded, and that Defendants, in an attempt to improve Defendants' financial status by fraudulently avoiding paying benefits, maintained an undisclosed, secret corporate policy in place aimed at postponing and denying claims and benefits regardless of whether the claims were meritorious and due to be paid.

49. At all times relevant hereto, the Plaintiffs reasonably relied on, and were deceived by, Defendants' material non-disclosures and changed their position to purchase, and then maintain, the policy of insurance at issue herein.

50. As a direct and proximate result of Defendants' wrongful acts and omissions and fraudulent conduct as previously alleged herein, Plaintiffs have suffered and continue to suffer substantial damages as alleged above.

WHEREFORE, Premises Considered, Plaintiffs request that judgment be entered against the Defendants for compensatory and punitive damages in an amount to be determined by struck jury, plus interest, costs, attorney fees, and such other, further, and different relief as may be appropriate.

COUNT FIVE
(Misrepresentation)

51. Plaintiffs repeat and re-allege each and every allegation in the preceding paragraphs as if fully set forth herein.

52. Philena Paher was covered under the policy and entitled to the benefits provided therein including, but not limited to, payment of claims covered under the policy.

53. Prior to, at the time of, and after the Plaintiffs' policy was issued by the Defendants, Defendants did negligently, wantonly, recklessly, and/or intentionally misrepresent the material facts

to the Plaintiffs in order to induce them to continue to act to their detriment and to Defendants' benefit.

54. Plaintiffs did, in fact, reasonably rely to their detriment on Defendants' misrepresentations and fraudulent conduct.

55. As a direct and proximate result of Defendants' misrepresentations and fraudulent conduct as previously alleged herein, Plaintiffs have suffered and continue to suffer substantial damages as alleged above.

WHEREFORE, Premises Considered, Plaintiffs request that judgment be entered against the Defendants for compensatory and punitive damages in an amount to be determined by struck jury, plus interest, costs, attorney fees, and such other, further, and different relief as may be appropriate.

COUNT SIX
(Conspiracy)

56. Plaintiffs repeat and re-allege each and every allegation in the preceding paragraphs as if fully set forth herein.

57. Philena Paher was covered under the policy and entitled to the benefits provided therein including, but not limited to, payment of claims covered under the policy.

58. As previously alleged herein, Defendants conspired with one another to commit fraud upon the Plaintiffs and other similarly situated individuals by misrepresenting and suppressing materials facts from the Plaintiffs, and by wrongfully denying the claim made on behalf of Philena Paher.

59. As a direct and proximate result of Defendants' conspiracy and fraudulent acts and omissions previously alleged herein, Plaintiffs have suffered and continue to suffer substantial damages as alleged above.

WHEREFORE, Premises Considered, Plaintiffs request that judgment be entered against the Defendants for compensatory and punitive damages in an amount to be determined by struck jury, plus interest, costs, attorney fees, and such other, further, and different relief as may be appropriate.

Respectfully submitted,



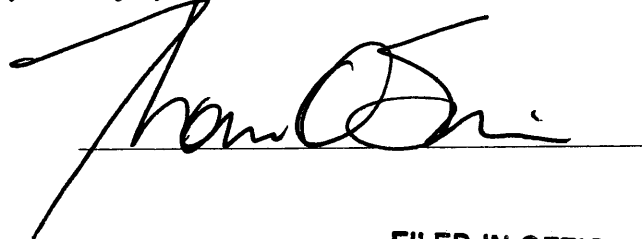
One of the Attorneys for Plaintiff

Thomas O. Sinclair
CAMPBELL, WALLER & POER, LLC
2100-A SouthBridge Parkway, Suite 450
Birmingham, Alabama 35209
Phone: (205) 803-0051
Fax: (205) 803-0053

Allen G. Woodard
WOODARD, PATEL & SLEDGE
1213 East Three Notch Street
Andalusia, Alabama 36420
Phone: (334) 222-9115
Fax: (334) 222-9448

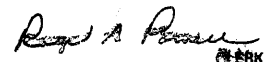
JURY DEMAND

Plaintiff hereby demands a trial by struck jury on all counts so triable.



FILED IN OFFICE

MAR 02 2006


CLERK

The Clerk is Requested to Serve the Defendants by Certified Mail as follows:

Mega Life & Health Insurance Company

CT Corporation Company
2000 Interstate Park Drive, Suite 204
Montgomery, AL 36104

National Association of Self Employed (NASE)
CT Corporation Company
2000 Interstate Park Drive, Suite 204
Montgomery, AL 36104

UICI
CT Corporation Company
2000 Interstate Park Drive, Suite 204
Montgomery, AL 36104

Stephanie Ann Tranchina
Current address Unknown

FILED IN OFFICE

MAR 02 2006

Roger A. Pomeroy
CLERK

CT CORPORATION

March 03, 2006

COPY

Thomas O'Neal Sinclair
Suite 450,
2100 A Southbridge Pky,
Birmingham, AL 35209

Re: David & Philena Paher, Pltf. vs. Mega Life & Health Ins. Co., et al., Dfts. To: UICI
Case No. CV 2006 000029.00

Dear Sir/Madam:

We are herewith returning the Summons, Complaint which we received regarding the above captioned matter.

UICI is not listed on our records or on the records of the State of AL.

Very truly yours,

Connie Tinsley

Log# 510970792

FedEx Tracking Number: 790834892309

cc: Covington County Circuit Court
1K North Court Square,
Andalusia, AL 36420

cc: New York SOP Support

2000 Interstate Park Drive, Suite 204
Montgomery, AL 36109
Tel. 334 387 7680
Fax 334 387 7682

A WoltersKluwer Company

FILED IN OFFICE

MAR 06 2006

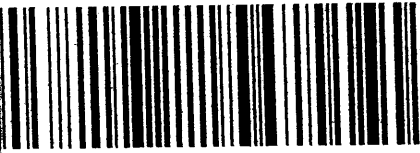
Ray A. Pinner
CLERK

FIRST • CLASS

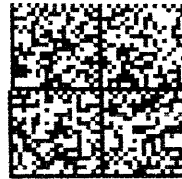
FIRST • CLASS

LACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL™



04 2890 0002 8292 0854



HASLER

017H15504351

\$5.120

02/28/2006

Mailed From 35209

US POSTAGE

First Class Mail

UICI
CT Corporation Company
2000 Interstate Park Drive, Suite 204
Montgomery, AL 36104

FIRST • CLASS

FIRST • CLASS

FIRST • CLASS

FIRST • CLASS

FIRST • CLASS

FIRST • CLASS